Hecla
MINING COMPANY

March 14, 2006

Sent via U.S. Mail

Eric Johnson
U.S. Environmental Protection Agency
Region 8, 8ENF-T
999 18th Street, Suite 300
Denver, Colorado 80202-2466

RE: Progress report for February 2006 activities - Hecla Mining Company Apex Site (EPA ID No. UT982589848, Docket No. RCRA-8-99-06)

Dear Mr. Johnson:

Per paragraph 64 of the Order, enclosed is a copy of the February 2006 progress report for your records.

If you have any questions please do not hesitate to call me at (208) 769-4135 or e-mail at cgypton@hecla-mining.com.

Sincerely,

Chris Gypton
Project Manager

Encl

Cc: HMC Legal Dept (w/o attachments)
John Jacus, Esq. (DG&S)

March 10, 2006

Hecla
MINING COMPANY

MEMORANDUM TO: Paul Glader

COPIES TO: file, distribution

FROM: Chris Gypton

SUBJECT: **Progress Report No. 22 for period ending February 28, 2006; Pond 2 Final Closure - Apex Site, Washington County, Utah**

Summary

Gila Management's contract was closed out early in the month. With the exception of Monster Engineering's on-going assistance with review of long term monitoring data, all other contracts are complete.

The second visual inspection, per the long term monitoring plan, was conducted on February 18th. No unusual conditions were noted. The settlement monuments were surveyed on February 8th.

The construction completion report draft was completed at the end of the month. The remaining activities for this deliverable include proof reading and reproduction of copies for distribution.

Major Issues

1. BIA demand to have Pond 2 removed from Shivwits' property – This issue is still not resolved, however we completed Phase III with the force majeure provisions in the 7003 order still in effect.

Work Planned for Next Period

1. Issue construction completion report.
2. Long term monitoring, including visual inspection and survey of settlement monuments.

Work in Process

Phase III Final Cover Construction

1. All field activities are complete.
2. Copies of field reports, contractor submittals and QA-QC records, for the construction completion report, were received from Gila Management on February 9th.
3. Monster Engineering issued drafts of their sections for the construction completion report the week of February 27th.
4. We still have not received the aerial photo from Alpha Engineering.

Sampling and Analysis in Period

Material Characterization

1. No activity

Field Tests, Inspections & QA/QC

1. The second site inspection was done on February 18th, a copy of the inspection report is included in the Supplemental Attachments section.
2. Alpha Engineering surveyed the settlement monuments on February 8th. Analysis of the two available months (January and February 2006) did not identify an cause for concern; a copy of this analysis will be included in the construction completion report.

Cost and Schedule

Committed costs in February 2006 were approximately $2,500. Total project to date committed is approximately $1,223,200. Forecast cost at completion for Phases I through III is estimated to be $1,228,000, excluding long term monitoring. Long term monitoring costs will be itemized separately in the March 2006 cost report.

The cost report for February is attached. Current status of the deliverables listed in the RCRA 7003 order is as follows:

Deliverable	Reference Paragraph	Due	Remarks
Post warning signage around perimeter of site	57	**15 days after effective date of order**	Work completed on March 9, 2004
Begin implementation of closure plan	63	**45 days after receipt of filing of order**	Work started on February 23, 2004
Monthly progress reports	64	**28th day after close of month**	Requirement in effect after order is filed.
Completion report	66	**30 days after completion of all closure plan tasks**	To be submitted within 30 days after work has been physically completed and all contracts closed out. Follow-up report to be issued after end of monitoring period.

The update of the schedule milestones is on the following table:

Milestone	Target	Actual	Remarks
Issue bid package – Phase I (Sump Drains)	6/14/04	***6/15/04***	Portion of RFP materials issued at pre-bid on 6/14/04; remainder sent via courier
Issue RFP package – Phase III	6/24/04	***6/24/04***	
Award contract for Phase I	6/24/04	***6/29/04***	Date contract was shipped to Hughes
Pre-bid meeting – Phase III	7/19/04	***7/19/04***	
Start Phase I (Sump Drains) construction	7/12/04	***7/19/04***	
Start Phase II (Evaporation)	7/19/04	***7/29/04***	
Receive bids for Phase III	8/2/04	***8/2/04***	
Re-bid Phase III contract package	April 2005	***4/27/05***	Date bid package was sent to Hughes
Start Phase III construction	End of August 2005	***8/29/05***	Start of contractor mobilization
Complete Phase III construction	Dec 23rd 2005	***12/23/05***	Completion of contract scope of work
Issue Construction Completion Report	Week of 3/13/2006		

Supplemental Attachments

1. February 18, 2006 long term monitoring inspection report, by D. Truman.

HECLA
Mining Company

Apex Site - Pond 2 Final Closure
Project Cost Report

Date Printed:3/14/2006

Activity	2004 Budget	Revised Budget May 2004	Committed Cost this Period	Cumulative Committed Cost To Date 2-28-06	Forecasted Cost To Complete	Forecasted Final Cost	Remarks on Forecast to Complete
Phase I - Drain Excess Liquid From Tailings							
Test wick program - Nilex		35,000		35,000	0	35,000	
Earthwork during wick test program		2,000		1,768	0	1,768	
Install drainage piping and sumps:		32,200		30,000	0	30,000	
Survey monuments		3,500		1,160	0	1,160	
Subtotal Phase I	**189,200**	**72,700**		**67,928**	**0**	**67,928**	
Phase II - Evaporate Excess Liquid							
Operate evaporation & pumping system		8,000		11,686		11,686	FY 2004 work only
Test pits to determine dewatering progress				2,475		2,475	
Upgrade evaporation cells & collection sumps				146,729		146,729	
Dewatering & seepage collection management				81,992		81,992	Fall FY 2004 through summer FY 2005
Subtotal Phase II	**6,000**	**8,000**	**0**	**242,882**	**0**	**242,882**	
Phase III - Regrading & Final Cover System							
Contractor mobilization/demobilization		20,000		52,426		52,426	
Clear site for construction		3,000		7,500		7,500	
Prepare Site for GCL Placement		20,500		87,000		87,000	
Place GCL		250,000		167,000		167,000	
Installation of Protective Cover		19,000		50,000		50,000	
Embankment Reconstruction		15,950		50,000		50,000	
Provide for Proper Site Drainage		13,600		40,000		40,000	
Change Orders:							
Repair existing liner edge				15,000		15,000	
Hydroseeding				11,650		11,650	
Additional work for surface diversion				24,166		24,166	
Subtotal Phase III	**337,000**	**342,050**	**0**	**504,742**	**0**	**504,742**	
Field Indirect Costs (Phases I through III)							
Construction Management labor		108,360		250,405		250,405	
Construction Management field expenses		38,575		57,844		57,844	
Field office trailer		6,525		4,913		4,913	
CQA testing		9,200		685		685	
CQA completion report		5,000	940	940	2,000	2,940	
Survey and layout		2,208	675	3,302		3,302	
Material classification tests		1,500		5,332		5,332	
Consulting Engineer		42,200		55,096		55,096	
Subtotal Consultants	**164,500**	**213,568**	**1,615**	**378,517**	**2,000**	**380,517**	
Hecla Costs (Phases I through III)							
Labor	15,500	15,500	910	25,147	1,800	26,947	
Travel expenses	3,200	3,200		4,026	650	4,676	
Subtotal Hecla Costs	**18,700**	**18,700**	**910**	**29,173**	**2,450**	**31,623**	
Total Pond 2 Final Closure - Phases I through III	**715,400**	**656,018**	**2,525**	**1,223,242**	**4,450**	**1,227,692**	

Prepared by: Hecla Mining Co.

Annual Site Inspection Summary Sheet - Apex Site - Pond 2

Hecla Mining Company - Long-Term Maintenance and Monitoring Plan

Form 1 of 4 - Summary

Date: 2/18/06

Inspector: D. Runnels

Cover System Component	Potential Problem		Allowable Limits	Limits Potentially Exceeded
Site Perimeter	Erosion or Fencing Issues		NA	NA
Cover System (outslopes, top, rock)	Subsidence		**Minor**: ponding < 1" some gullying / erosion	Yes X * No ___
			Significant: see Table 2	Yes ___ * No X
	Embankment Slope Stability		excessive movement or surface cracks > than 1"	Yes ___ * No X
	Gullying	on top	depth > 1"	Yes ___ * No X
		at embankment crest or on outslope	depth > 2"	Yes ___ * No X
		w/in normal flow channel in diversion channel	no gullying allowed	Yes ___ * No X
		w/in diversions at toe of impoundment outslope	no gullying allowed	Yes ___ * No X
		in diversion channel at any other location	NA	NA
	Erosion Protection Stability		rock subsiding or missing	Yes * No X
	Seepage		no colored seepage allowed (red, blue, yellow w/ crystallization)	Yes * No X
Runoff Control System	Diversion Channel		rock in place, channel not moving, fence stable	Yes X * No
	Diversion Swales		rock in place, no silting in or head cutting	Yes X * No ___
	Excessive silt build up at fence lines in diversion channel		allowed if not effecting cover system	Yes X * No ___

* Mark all areas of concern or requiring repairs on attached site map.

Annual Site Inspection - Apex Site - Pond 2

Hecla Mining Company - Long-Term Maintenance and Monitoring Plan

Form 2 of 4 - Site Perimeter

Inspection Date: 2/18/06

Inspector: Terrance

Visible Outlying Areas	
Observed Condition:	There was no New Changes Since Last months We have not recieved any moisture Since last month
Observed Damage:	NONE
	May require repair: Yes __* No __
Property Boundary Fence and Gate (walk fence line)	
Observed Condition:	All Fence are in Good repair
Observed Damage:	NONE
Potential Corrective Actions:	NONE
	May require repair: Yes __* No __
All Upgradient Areas (areas that drain onto property)	
Observed Condition:	They have removed alot of dirt on the west Side of the gate. The road is gone.
Observed Damage:	I Think it's all on upper property
	May require repair: Yes __* No __

* Mark all areas of concern or requiring repairs on attached site map.

Annual Site Inspection - Apex Site - Pond 2

Hecla Mining Company - Long-Term Maintenance and Monitoring Plan

Form 3 of 4 - Impoundment

Inspection Date: 11/18/06

Inspector: Tanner

Outslopes

Observed Performance:			
	Rock Cover Subsidence:	Yes __ No X	May require repair: Yes __* No 0
	Excessive Slope Movement (failure):	Yes __ No X	May require repair: Yes __* No 0
	Gully Development:	Yes __ No X	May require repair: Yes __* No 0
	Observable Leachate (colored):	Yes __ No X	May require repair: Yes __* No 0
	Excessive Siltation (at slope toe):	Yes __ No X	May require repair: Yes __* No 0

Observed Damage: NONE

Potential Corrective Actions: NONE

Top (top surface soils)

Observed Performance:			
	Cracking (>1" width):	Yes __ No X	May require repair: Yes __* No N/A
	Settlement / Evidence of Ponding:	Yes __ No 0	May require repair: Yes __* No N/A
	Erosion / Gullying:	Yes __ No 0	May require repair: Yes __* No N/A

Observed Damage: NONE

Potential Corrective Actions: NONE

Erosion Protection Layer (rock)

Observed Performance:			
	Rock Staying in Place:	Yes 0 No __	May require repair: Yes __* No 0
	Rock Subsiding:	Yes __ No 0	May require repair: Yes __* No 0
	Missing Rock:	Yes __ No 0	May require repair: Yes __* No 0

Observed Damage: NONE

Potential Corrective Actions: NONE

* Mark all areas of concern or requiring repairs on attached site map.

Annual Site Inspection - Apex Site - Pond 2

Hecla Mining Company - Long-Term Maintenance and Monitoring Plan

Form 4 of 4 - Diversion Channel and Swales

Date: 1/18/06
Inspector: Trumm

Diversion Channel

Observed Performance:	Erosion Protection in place:	Yes X No ___	May require repair: Yes ___* No X
	Normal Flow Channel in place:	Yes X No ___	May require repair: Yes ___* No X
	Encroaching on Site Fencing:	Yes ___ No X	May require repair: Yes ___* No X

Observed Damage: NONE

Potential Corrective Actions: NONE

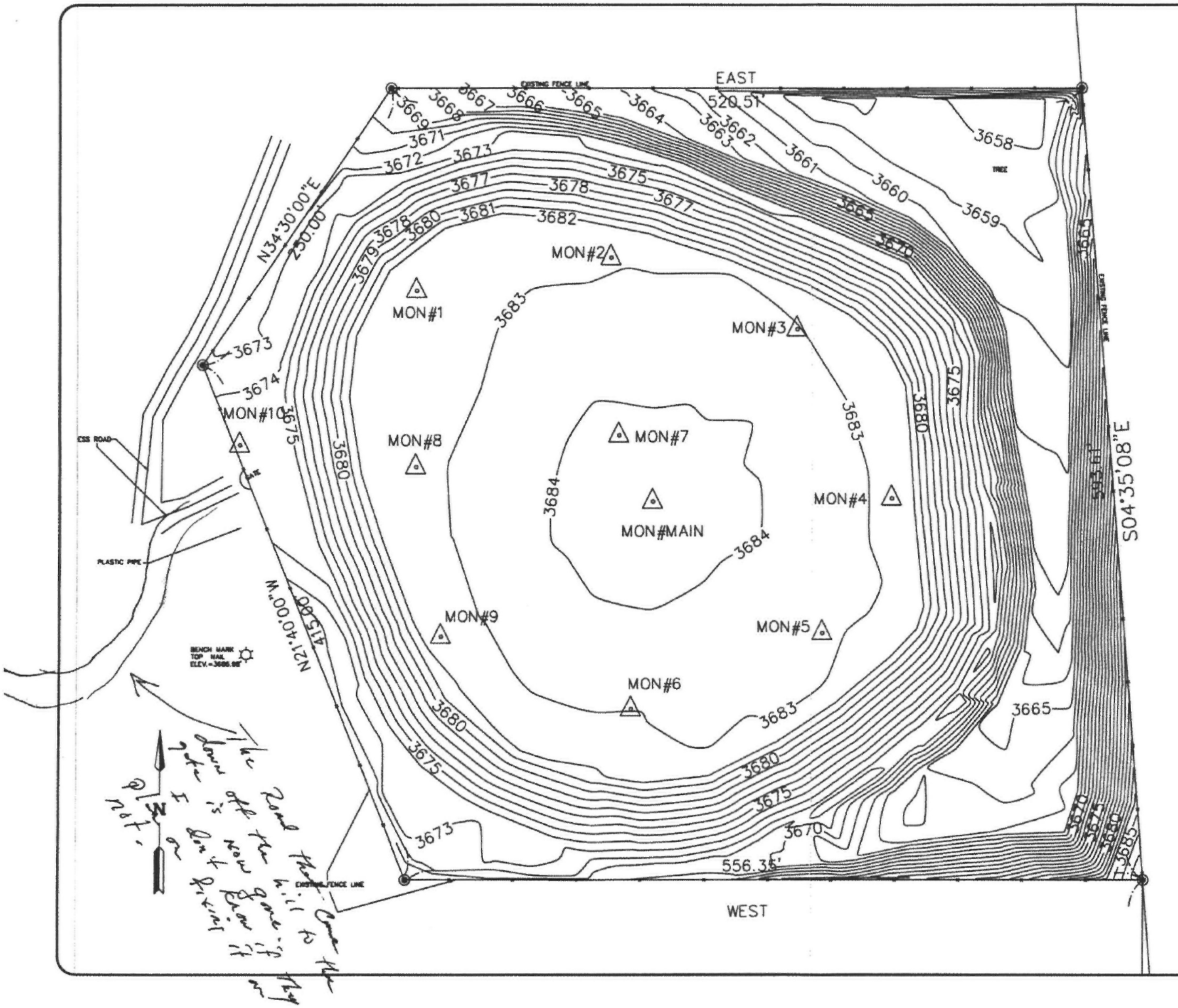
Diversion Swales

Observed Performance:	Erosion Protection in place:	Yes X No ___	May require repair: Yes ___* No X
	Flow Channel Silting In:	Yes ___ No X	May require repair: Yes ___* No X
	Head Cutting:	Yes ___ No X	May require repair: Yes ___* No X

Observed Damage: NONE

Potential Corrective Actions: NONE

* Mark all areas of concern or requiring repairs on attached site map.



SITE INSPECTION

Inspector: *Doug Thomas*

Inspection Date: *2/14/06*

Notes:

LEGEND

- ◉ FND REBAR & CAP ALPHA ENGINEERING CO.
- △ MONITORING MONUMENT
- —×— FENCE LINE
- CONTOUR INTERVAL = 1.0' FOOT

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DATE	20 Feb. 06
DRAWN BY	S. Thomas
CHECKED BY	C. Gypton
SCALE	1" = 70'

POND 2 FINAL CLOSURE
APEX SITE
WASHINGTON COUNTY UTAH

Hecla Mining Company

FIGURE NO. 1

Hecla
MINING COMPANY

March 14, 2006

Sent via U.S. Mail

Glenn Rogers, Chairman.
Shivwits Band of Paiute Indian Tribe
P.O. Box 448
Santa Clara, Utah 84765

John Krause
Bureau of Indian Affairs Phoenix Area Office
U.S. Department of Interior
P.O. Box 10
Phoenix, AZ 85001

Kelly Youngbear
BIA Southern Paiute Agency
P.O. Box 720
St. George, UT 84771

RE: Progress report for February 2006 activities - Hecla Mining Company Apex Site (EPA ID No. UT982589848, Docket No. RCRA-8-99-06)

Dear Chairman Rogers, Mr. Krause and Ms. Youngbear:

Per paragraph 64 of the Order, enclosed is a copy of the February 2006 progress report for your records.

If you have any questions please do not hesitate to call me at (208) 769-4135 or e-mail at cgypton@hecla-mining.com.

Sincerely,

Chris Gypton
Project Manager

Encl

Cc: HMC Legal Dept. (w/o attachments)
John Jacus, Esq. (DG&S) (w/o attachments)
Eric Johnson (USEPA, Region VIII) (w/o attachments)